



CALPEEK

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ENERGY & POLITICS: IT'S DAVIS VS. BURTON VS. GOP VS. CONSUMERS VS. BUSINESS. CONFUSED??

Editor's note: While the lights are still on in Calif., Gov. Gray Davis(D) is on the *hot seat* once again. In addition to the constant complaints about his energy policies from legislative GOPers, not to mention GOP Sec. of State Bill Jones, Calif.'s governor is now in a huge battle with Demo Senate President Pro Tem John Burton of S.F. The subject: how to keep Calif.'s second largest utility company, So. Calif. Edison(SCE), out of bankruptcy. And Davis now admits his odds of winning Burton over are slim. Here's our analysis & commentary...

...This is a very complex issue, but we've boiled it down to the essentials. PG&E went into bankruptcy earlier this year because it didn't see Gov. Davis and the Legislature coming up with solutions which would help them. They may have been right. Only time will tell, because as of the end of session last week, the CA Senate and Assembly were deadlocked over two different versions of the same bill: **SB 78XX**. That's the bill which is supposed to keep SCE from going into bankruptcy...

...Simply stated, the Senate version allows SCE to issue \$2.5 billion in bonds, to be repaid by large business ratepayers. The \$1 billion owed to power generators is SCE's problem under this plan. The Assembly plan allows SCE to issue \$2.9 billion in bonds (includes up to \$400 million in accrued interest). Again, the \$1 billion owed to the power generators is SCE's responsibility, but the bond repayment would be by a larger group of ratepayers (small businesses as well as large businesses). The Assembly plan also covers other issues (direct access). It's a more comprehensive bill and thus Davis and Calif.'s business community favor this approach...

...Complicating the SCE rescue plan is the non-stop bashing by consumer groups, such as Harvey Rosenfield's Foundation for Taxpayer & Consumer Rights. Rosenfield totally trashes the Assembly's version, saying it's a \$4.1 billion *bailout* of SCE, but he's not thrilled with the senate version either. And while this doesn't bother Republican lawmakers

(because they have refused to vote for most all of Davis' energy proposals), consumer groups tend to make Demos nervous, especially when they talk about a *referendum* to stop SB 78XX from becoming law. Enter Burton...

...Burton is into *member protection*. He views the senate version of SB 78XX as being much more consumer-friendly and thus provides political cover for all Demos. If Davis goes ahead and calls yet another special session to deal with SCE, sources say Burton will win because the governor at this point doesn't have the votes in the upper house...

...FYI: Our guess is that Gov. Davis called for another special session keep SCE out of bankruptcy court until he comes up with a plan Burton will accept. Why? SCE has more assets (power plants, the power grid) than liabilities. A bankruptcy judge could order those assets sold. And guess who has lots of money? The out-of-state power generators. The big problem now is time - it's working against Davis. In all likelihood SCE has already begun the monster paper-work job of filing for protection. Stay tuned...

WAR ON TERRORISM: WORLD DECLARES WAR ON BIN LADEN. U.S. DEATHS AT 5,800 FROM ATTACK.

Editor's note: The death toll now stands at about 5,800 from the Sept. 11th terror attack against the World Trade Center Towers in NYC and the Pentagon in DC. As noted in last week's issue of Calpeek, Sept. 11th is now another *Day of Infamy*. Here's our update & analysis...

...U.S. citizens are still groggy from the Sept. 11th attack, but there are signs of recovery. But life in America will never be the same again. The attack, believed to be the work of Osama bin Laden or those closely associated with him, was really an attack on the rest of the civilized world. Individuals from 61 countries were killed in NYC when hijacked jetliners slammed into the WTC Towers minutes apart...

...Politically, the U.S. is totally united. Pres. George W. Bush's approval rating in an L.A. Times survey was 86%, while only 8% disapproved and 6% had no opinion. It was

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an interesting poll (1,561 nationwide via phone, 9/13 and 9/14) because it also showed the public very much supports the *new security measures* at the nation's airports (83%)...

...As Calpeek noted last week, until the FAA tightens the security requirements for airports and airliners, the hijacking threat will still be around. And how bad is airport security? Demo campaign consultant Bill Carrick is working the mayor's race in Boston. On Saturday, Sept. 8th, Carrick was on American #11 out of Logan for LAX. When he passed through the metal detector, it didn't go off, despite the fact he was carrying a cell phone and a heavy metal pen. He asked the "security" person if he should go through the detector again, but was told no!! Problem is that these *security guards* are a joke. They are paid for by the airlines – who want to cut costs. You know the old saying, "You get what you pay for."...

...Now to the Calif. connection. When the U.S. House voted on a resolution authorizing the use of U.S. military force to strike back at the terrorists, the vote was 420 to 1. That one lone vote was cast by U.S. Rep. Barbara Lee (D-Oakland). No doubt it was a vote of conscience, but it set off a fire storm in her 9th CD. Lee is not in danger of being voted out, as she's in a solid Demo CD. Still there's always the chance of a Demo primary challenge. Calpeek should note that while Lee voted against the use of force resolution, she voted YES (422-0) on a \$40 billion spending bill for recovery and for military response...

...The other part of this story has to do with terrorism in Calif. Turns out that one of the terrorist cells was in San Diego. At least 3 San Diego-based terrorists hijacked the American Airlines plane which crashed into the Pentagon. The Feds have detained some 75 people around the U.S. for questioning and 4 people have been arrested as material witnesses. San Diego Union Tribune is all over this part of the story. And the Orange Co. Register has an interesting story about the security of SCE's San Onofre nuclear power plant. It's not safe from a jetliner attack...

...To help the Feds in this fight, the State of Calif. has formed the Calif. Anti-Terrorism Information Center. It's a joint project of the Calif. DOJ (AG) and the executive branch's Office of Criminal Justice Planning. Funding comes from the CA DOJ and from the Feds...

...FYI: As noted last week, George Ross's 24-year-old son Chris worked in the 2nd tower on the 51st floor. He escaped. Ross told Calpeek his son and others at his office figured it was just a small plane which had hit the 1st tower, but soon realized what had happened. At that point, the entire office

began to leave. The second plane hit when Chris Ross had reached the 32nd floor. Stay tuned...

CALPEEK'S CONSULTANTS DIRECTORY ON SALE

Calpeek's 2001-02 *Directory of Campaign Consultants* is off the press and ready for sale. There are about 300 listings in the Directory. Cost is \$30. Checks only. No credit cards and no invoicing. The Directory will only be sold via subscription to current Calpeek subscribers. Send payment with your name, address, etc. (please type or print clearly) to Calif. Political Week or Calpeek, P.O. Box 1468, Beverly Hills, CA 90213...

CAMPAIGN 2001: OCT. 23rd L.A. CITY COUNCIL RUN-OFF ELECTION WILL SEE LaBONGE VS. GARFIELD.

Editor's note: While the NY City Mayoral primary was called off within hours after the Sept. 11th terrorist attack in that city, the City of L.A. went ahead and conducted its Sept. 11th special election to replace the late John Ferraro. Here's our update & analysis...

...Normally a special election in L.A. doesn't generate much interest, but with former CA State Senate President David Roberti (D) being one of the top tier candidates in this battle to replace Ferraro in L.A.'s 4th Council District, the level of Statewide interest was fairly high. But just like Antonio Villaraigosa, Tom Hayden, Scott Wildman and Carl Washington, Roberti wasn't able to capitalize on his Sacto experience...

...And while the L.A. City went ahead with their special election, at first there were some local tv news stories which said the special had been cancelled. Not true, but some of the 4th District voters who heard these stories decided to stay home. This might have hurt Roberti more than either of the other frontrunners, because Roberti's key bloc of voters were renters and seniors. Overall voter turnout was about 17%. In raw votes, 21,736...

...Former L.A. City Hall staffer Tom LaBonge led the field of 10 candidates with 31.96%. L.A. Community College Trustee Beth Garfield was second with 18.57% and Roberti trailed Garfield by about 225 votes...

...Insiders had predicted a LaBonge Vs. Garfield runoff for months, noting that Roberti had gotten off to a very slow and stumbling start. But as the campaign progressed Roberti began to improve and by election day his campaign was closing on Garfield. Garfield and Roberti were splitting the Demo base in the 4th CD, thus Garfield's strategy was to go after Roberti. She hit Roberti's anti-abortion stand twice and that didn't sit well with the former state

senator. It's a given Roberti won't endorse Garfield in the runoff, but he has yet to officially say what he'll do. LaBonge did not attack Roberti directly, but some of his supporters did...

...Garfield spent more than \$500,000 (she loaned herself \$350,000), but LaBonge was well funded too. Calpeek sources aren't sure who will win the Oct. 23rd runoff, but LaBonge, by his first place primary win, should be considered the frontrunner for now. Stay tuned...

REMAPPING CALIF: REPUBLICANS ARE GENERALLY HAPPY WITH PLAN, BUT SOME DEMOS VERY UPSET.

Editor's note: As Calpeek pointed out last week, there's no doubt that the 2001 reapportionment plan adopted by the CA Legislature with an overwhelming bi-partisan vote was an *incumbent protection plan*. Nowhere is this more evident than in the new remap plan for Calif.'s 53 U.S. House seats. Here's our report & analysis...

...As previously noted, the Bush White House signed off on this plan which locks in 33 Demo U.S. House seats vs. only 20 for the GOP. That's a pick up of only 1 seat. And that's why House Demo Leader Dick Gephardt isn't thrilled with it. Nor are some Latino groups, who have lobbied Gov. Gray Davis to veto the plan (not likely). Sources say all 4 remap plans (including the U.S. House plan) are on safe legal ground, but that may not be enough to stop these same Latino groups from going to court...

...There's no doubt Demos could have squeezed in 1 or 2 more Demo seats, but sources think if they had done this it would have triggered a huge GOP backlash. For sure no 2/3rds vote – meaning Calif. GOPers could have put the U.S. House remap plan on the ballot via a *referendum*. Money for such a fight could have been raised in 24-hours and here we're talking about \$2-3 million. But it didn't come to that...

...There was only one real casualty: U.S. Rep. Steve Horn (R-Long Beach). His 38th CD was collapsed. Horn was probably going to retire anyway. And because his CD was collapsed, there is now a new GOP House seat in the Central Valley – it's the NEW 21st CD with a 48% Republican voter base vs. 38.2% for the Demos. This CD also has a heavy Latino population, thus a candidate such as Rich Rodriguez, who ran against Demo U.S. Rep. Cal Dooley in 2000, would have a shot at winning...

...The numbering of the CDs is basically the same from CD 1 to CD 20 (Dooley). But with the addition of a new 21st CD, the numbering gets bumped by 1 in most cases.

Here's how it looks. We've listed the old CD # after the new #: Thomas(R-22) old 21; Capps(D-23) old 22; Gállegly(R-24) old 23; McKeon(R-25) same; Dreier(R-26) old 28; Sherman(D-27) old 24; Berman(D-28) old 26; Schiff(D-29) old 27; Waxman(D-30) old 29; Becerra(D-31) old 30; Solis(D-32) old 31; Watson(D-33) old 32; Roybal-Allard(D-34) old 33; Waters(D-35) same; Harman(D-36) same; McDonald(D-37) same; Napolitano (D-38) old 34; NEW 39th CD...

...Royce(R-40) old 39; Lewis(R-41) old 40; Miller(R-42) old 41; Baca(D-43) old 42; Calvert(R-44) old 43; Bono(R-45) old 44; Rohrabacher(R-46) old 45; Sanchez (D-47) old 46; Cox(R-48) old 47; Issa(R-49) old 48; Cunningham(R-50) old 51; Filner(D-51) old 50; Hunter (R-52) same; and Davis(D-53) old 49...

...Grumbling Demos. Ellen Tauscher(D-10) was very upset at first, but the revised plan restored some of her key areas. Overall, she's got a more Demo CD than before. Brad Sherman is somewhat happier now than before. Many of the Latinos put into his CD from Howard Berman's CD have now been returned to Berman. And then there's Susan Davis from San Diego. In the original remap plan, she got all of Imperial County. But under the revised plan, Imperial Co. now goes to Bob Filner. He's not a happy camper...

...As for the four new Demos elected in 2000, most all have better Demo numbers: Jane Harman's 36th CD jumped 5 points to 45.8% D (and 36th no longer contains the Palos Verdes Peninsula area, a big GOP stronghold); Davis's 53rd CD went from a 39% D to 42% D (and the GOP's voters dropped from 36% to 32%); Adam Schiff's 29th CD now has 46.5% D, up 3 points; Mike Honda's 15th CD remains almost the same at 51% D...

...The NEW 39th CD. It's a heavy Demo area in Southeast L.A. Co., with a large middle class Latino population. However, the CD is racially diverse. Thus far three names have surfaced as possible candidates: Assemblymembers Sally Havice and Marco Firebaugh, and South Gate Councilman Hector De La Torre. Stay tuned...

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CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Condit Watch** – For obvious reasons, the trashy soap opera featuring U.S. Rep. Gary Condit and missing intern Chandra Levy has been knocked off the air. It's the first lucky break Condit has had since Levy first disappeared May 1st. Still lots of speculation as to whether Condit will seek reelection. Among Demos looking at the 18th CD, in addition to former State Sen. Pat Johnston, current State Sen. Mike Machado(D), current Assemblyman Dennis Corado(D) and Alan Sawyer (deputy of the Office of Criminal Justice Planning), also *add the name* of current State Sen. Jim Costa(D-Fresno) – but only if embattled Condit doesn't run. On the GOP, current State Sen. Dick Monteith of Modesto has now joined Modesto Councilman Bill Conrad in the primary. FYI: lots of articles have been written about the Levy/Condit affair, but one of the best one we've read is in the September issue of Talk by Lisa DePaulo...

■ **CRP Battle Over Rules Ends** – The ongoing fight to strip the CA Republican Party(CRP) chair of some of his power and give it to the CRP's chief operating officer is over. CRP Chair Shawn Steel tossed in the towel after it became apparent that CRP Reform & Revision chair Gerald Parsky had the votes to pass these changes to the by-laws. It is expected that CRP will affirm these changes when it meets at the Westin Hotel @ LAX, for a one-day gathering on Oct. 27th. Sources agree that Steel's resistance to the reforms has hurt him politically – especially if he should decide to seek a 2nd term as CRP chair...

■ **Ventura Co. DA Bradbury to Retire** – DA Michael Bradbury, 59, will not seek reelection in 2002. He has served as DA for 24 years and has twice been elected president of the CA District Attorneys Assn.(CDAA). Lots of speculation, but some reports say Bradbury may be up for a job as U.S. Attorney – Central District (Orange Co. to San Luis Obispo). With Bradbury out, it leaves the way clear for Chief Asst. DA Greg Totten to run. Also in the running will be Sr. Deputy DA Ron Bamieh...

■ **\$2.6 Billion Park & Clean Air Bond on Ballot** – It is another huge bond ballot measure which if approved by voters on Mar. 5th, 2002, will provide \$1.3 billion for parks and museums and another \$1.27 billion for land conservation, pollution control and water-saving programs. Voters approved a \$2.1 billion parks measure in March of 2000, but sources say money from that bond is nearly all gone...

■ **Davis Wins a Legal Battle** – Remember those cable tv. and radio ads bashing Gov. Gray Davis' energy policies?? Those ads were aired by the American Taxpayers Alliance, a DC-based group headed by former RNC exec. director Scott Reed. Calif. Sup. Court Judge David Garcia on Sept. 17th granted an injunction requested by Davis' political committee to force the ATA to file a list of its contributors, as required by State law. The Davis Cmt. claims that Reed's group is nothing but a front for big energy companies – the very group which Davis has been bashing all year long...

CALPEEK's NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

- Gov. Gray Davis has hired Oliver Phillips as his new communications director and has named his former press secretary, Michael Bustamante, as a Sr. advisor. Phillips comes from CNN in DC...
- The Calif. chpt. of the Amer. Assn. of Political Consultants(AAPC) elected Mitchell Englander of Issue Strategies, Inc. as president; Matt Klink as vice president; and Susan Barnes of S.F.-based Barnes & Co. as Sec/Treas...
- Campaign consultant Doug Herman has joined The Strategy Group in the firm's Pasadena office...
- Genelle M. Buchert's fundraising firm (Buchert Development) has moved to 4307 E. Colorado St., Long Beach, CA 90814. Same phone (562)400-1276...
- The new Exec. Director at CORO So. Calif. is Carrie Lopez, who replaced long time ED Carol Baker Tharp...

CALPEEK'S MARKETPLACE NETWORK

- **The Calif. Dental Association** is looking for an experienced staff lobbyist in their Sacramento Government Relations Office, preferably with health care experience. Contact Liz Snow or Cathy Mudge (916)443-3382, Ext. 5200.

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